

APPENDIX D
Form of Continuing Disclosure Certificate

*

CITY OF LODI
Limited Obligation Improvement Bonds
Lodi Central City Revitalization Assessment District No. 95-1
[Series 1996]

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the CITY OF LODI (the "Issuer") in connection with the issuance of \$_____ aggregate principal amount of City of Lodi, Limited Obligation Improvement Bonds, Lodi Central City Revitalization Assessment District No. 95-1, [Series 1996] (the "Bonds"). The Bonds are being issued pursuant to a Resolution Authorizing Issuance of Bonds, adopted by the Issuer on _____ 1996 (the "Bond Resolution"). First Trust of California, National Association is acting as paying agent ("Paying Agent") on the Bonds. The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Dissemination Agent*" shall mean _____, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"*National Repository*" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. As of the date of this Disclosure Certificate the following are National Repositories:

Bloomberg Municipal Repository
P.O. Box 840
Princeton, NJ 08542-0840
Internet address: MUNIS@bloomberg.doc
(609) 279-3200
(609) 279-3235 or (609) 279-5963 [FAX]
Contact: Dave Campbell

Thomson NRMSIR
Secondary Market Disclosure
395 Hudson Street, 3rd Floor
New York, NY 10014

* Preliminary, subject to change.

Internet address: Disclosure@muller.com
(212) 807-3814
(212) 989-9282 [FAX]
Contact: Thomas Garske

Disclosure, Inc.
Document Augmentation/Municipal Securities
5161 River Road
Bethesda, MD 20816
(301) 951-1450
(301) 718-2329 [FAX]
Contact: Bary Sugarman (301) 215-6015

JJ Kenny Information Services
The Repository
65 Broadway, 16th Floor
New York, NY 10006
(212) 770-4568
(212) 797-7994 [FAX]
Contact: Joan Horai, Repository

Moody's NRMSIR
Public Finance Information Center
99 Church Street
New York, NY 10007-2796
(800) 339-6306
(212) 553-1460 [FAX]
Contact: Claudette Stephensen (212) 553-0345

Donnelley Financial
Municipal Security Disclosure Archive
559 Main Street
Hudson, MA 01749
Internet address: <http://www.municipal.com>
(800) 580-3670
(508) 562-1969 [FAX]

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or, upon written direction, shall cause the Dissemination Agent to, not later than _____ months after the end of the Issuer's fiscal year (which currently would be _____), commencing with the report for the 1995/96 Fiscal Year, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board and appropriate State Repository, if any, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and

(ii) to the extent the Annual Report has been furnished to it, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.

(b) The following additional items with respect to the Bonds and property in the District with unpaid assessments:

1. Principal amount of Bonds outstanding.
2. Balance in the improvement fund (not required after completion of the project.)
3. Balance in the debt service reserve fund and a statement of the reserve requirement.
4. Total assessed value of all parcels subject to the annual assessment and the current year's assessed value for the District.

5. Assessment delinquency rate for the most recent year.
6. Concerning delinquent parcels:
 - number of parcels delinquent in payment of assessment,
 - amount of total delinquency and,
 - whether the Issuer has fulfilled its covenants to pursue foreclosure proceedings upon delinquent properties.
7. Identity of any delinquent tax payer obligated for more than 10% of the annual assessment and:
 - assessed value of applicable properties, and
 - summary of results of foreclosure sales, if available.
8. Significant amendments to land use entitlements.
9. Status of any significant legislative, administrative, and judicial challenges to the construction of the development known to the Issuer.
10. For each parcel in the District securing more than 20% of the total assessments (or for any individual owner owning in the aggregate parcels securing more than 5% of the total assessments) the following from the most recently available County assessors roll: name of owner, apn number or numbers, assessed value (broken out by land, improvements and total) and the share of the unpaid assessment.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions or events affecting the tax-exempt status of the security.
- (7) Modifications to rights of security holders.
- (8) Contingent or unscheduled bond calls.
- (9) Defeasances.

- (10) Release, substitution, or sale of property securing repayment of the securities.
- (11) Rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Bond Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be _____. The Dissemination Agent may resign by providing thirty days written notice to the Issuer.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied (provided, the Dissemination Agent shall not be obligated under any such amendment that modifies or increases its duties or obligations hereunder without its written consent thereto):

(a) if the amendment or waiver relates to the provisions of sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the Repositories in the same manner as for a Listed Event under Section 5(c).

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Issuer for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____

CITY OF LODI

By _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Lodi

Name of Bond Issue: \$_____ City of Lodi, Limited Obligation Improvement Bonds, Lodi Central City Revitalization Assessment District No. 95-1, [Series 1996]

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section ____ of Resolution Authorizing Issuance of Bonds, adopted by the Issuer on ____ 1996. [The Issuer anticipates that the Annual Report will be filed by _____.]

Dated: _____

ISSUER

By _____

(C) The annual proportion of each Assessment coming due in any year, together with the annual interest thereon, shall be payable and be collected in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property. In addition to any amounts authorized pursuant to section 8682 of the Bond Law to be included with the annual amounts of installments as aforesaid, the City, pursuant to section 8682.1 of the Bond Law, may cause to be entered on the assessment roll on which taxes will next become due, opposite each lot or parcel of land within the Assessment District in the manner set forth in section 8682 of the Bond Law, each lot's or parcel's pro rata share of the estimated annual expenses of the City in connection with the administrative duties thereof for the Bonds, including, but not limited to, the costs of registration, authentication, transfer of the Bonds, the administration and collection of assessments, the administration of the Reserve Fund or other related funds, and compliance with the provisions of this Article V and payment of amounts required to be rebated to the United States pursuant to the Tax Code. If the City performs any transfer, registration, authentication, payment or other function described in this Article V, the expenses shall include a pro rata amount of the salaries of the City employees involved in the performance of such functions and all other costs incurred by the City in connection therewith. Pursuant to the provisions of section 10312 of the Act, the Council has established a maximum amount of two percent (2%) of each annual installment of principal and interest due on the Bonds issued to reimburse the City for such costs. Delinquent Assessments shall be subject to foreclosure pursuant to Section 5.02 hereof.

Section 5.02 FORECLOSURE. The City hereby covenants with and for the benefit of the Owners of the Bonds that it will, subject to the conditions below, order, and cause to be commenced within 150 days after the occurrence of a delinquency and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Assessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in Part 14, commencing with section 8830, of the Bond Law. On or before February 1st and June 1st of each fiscal year during the term of the Bonds the Finance Director shall cause the records of the County Tax Collector to be monitored to determine if there are any delinquencies in the payment of such Assessments. If the amount of the delinquencies exceeds seven percent (7%) of the installments due and the Reserve Fund balance is less than the Reserve Requirement, or if a single

property owner in the Assessment District is delinquent in excess of \$10,000 with respect to the Assessment installments due, the Finance Director shall notify the City Attorney of any such delinquency of which the Finance Director is aware. If the City does not determine to advance any funds necessary to cover debt service on the Bonds, the City Attorney shall commence, or cause to be commenced, such foreclosure proceedings. The City Attorney is hereby authorized to employ counsel to conduct any such foreclosure proceedings.

Section 5.03 NO ADVANCES FROM AVAILABLE SURPLUS FUNDS. The City shall not be obligated to advance Available Surplus Funds of the City to cure any deficiency which may occur in the Redemption Fund.

Section 5.04 PUNCTUAL PAYMENT; COMPLIANCE WITH DOCUMENTS. The City shall punctually pay or cause to be paid the interest and principal to become due with respect to all of the Bonds in strict conformity with the terms of the Bonds and of this Resolution, and will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution.

Section 5.05 NO PRIORITY FOR ADDITIONAL OBLIGATIONS. The City covenants that no additional bonds or other obligations shall be issued or incurred on a parity with, or having any priority over, the Bonds in the payment of principal or interest out of the Assessments.

Section 5.06 DISCLOSURE REQUIREMENTS. The City and the Agent hereby covenant and agree that they will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, and not later than December 31 of each year, the City or its designee shall prepare and file the annual reports required thereunder. Notwithstanding any other provisions of this Resolution, failure of the City or the Agent to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.07 FURTHER ASSURANCES. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for better assuring and confirming unto the Owners of the Bonds the rights and benefits provided by this Resolution.

NOTICE OF ADVANCED MATURITY AND FULL REDEMPTION

**\$125,000, SERIES 1984-1
CITY OF LODI IMPROVEMENT BONDS
Lodi United Downtown Assessment District, Beautification Project**

NOTICE IS HEREBY GIVEN to the holders or owners of the Bonds described herein that the City of Lodi, California has advanced the maturity to and will redeem all outstanding Bonds on **January 2, 1997** (the "Redemption Date"), at the principal amount thereof and a premium of five percent (5%) of such principal amount (the "Redemption Price"), together with interest accrued to the Redemption Date.

<u>Maturity Dates</u>	<u>Principal Amount</u>	<u>CUSIP Numbers</u>
July 2, 1997	\$40,000.00	267994XU0
July 2, 1998	\$40,000.00	267994XV8
July 2, 1999	\$45,000.00	267994XW6

FROM AND AFTER JANUARY 2, 1997, INTEREST SHALL CEASE TO ACCRUE ON THE BONDS. INTEREST WILL BE PAID IN THE USUAL MANNER FOR THE PERIOD FROM JULY 2, 1996 TO JANUARY 2, 1997.

Payment of the Redemption Price on the above Bonds will become due and payable on the Redemption Date upon presentation and surrender thereof at the office of the Paying Agent in the following manner:

If by Mail:
First Trust National Association
First Trust Center
P. O. Box 64111
St. Paul, MN 55164-0111

If by Hand or Overnight Mail:
First Trust National Association
180 East Fifth Street
4th Floor - Bond Drop Window
St. Paul, MN 55101

Telephone (612) 973-6700 or (800) 934-6802

Bondholders presenting their Bonds in person for same day payment must surrender their Bond(s) by 1:00 P.M. on the Redemption Date and a check will be available for pick up after 2:00 P.M. Checks not picked up by 4:30 P.M. will be mailed to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the bond to collect the Redemption Price.

IMPORTANT NOTICE

Failure to submit a completed Form W-9 to certify tax identification number will result in a 31% backup withholding to the holder, under the Interest and Dividend Tax Compliance Act of 1983 as amended by the Energy Policy Act of 1992.

The Paying Agent shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Redemption Notice. It is included solely for convenience of the holders.

Dated: _____, 1996

CITY OF LODI, County of San Joaquin, State of California
By First Trust of California National Association, as successor to
Bank of America National Trust and Savings Association, as Paying Agent

EXHIBIT C